

# **Exhibit A**

## **Part 2 of 8**

1 to sue. On August 30, 2007, Greystone's counsel delivered an "assignment agreement and covenant  
2 not to sue" to this effect and demanded that Oliphant provide written confirmation of acceptance by  
3 August 31.

4  
5 **FIRST CAUSE OF ACTION**  
6 **(For Breach of Fiduciary Duty / Constructive Fraud)**

7 43. Plaintiffs refer to and hereby incorporate herein the foregoing Paragraphs 1 through  
8 42, inclusive, as though the same were fully set forth at this place.

9 44. Each of the Greystone Defendants owned Plaintiffs and each of them a fiduciary duty  
10 by virtue of the trust and confidence Plaintiffs and each of them reposed in said defendants by virtue  
11 of the agreement and business relationship.

12 45. The Greystone and each of them were negligent in the performance of the duties  
13 insofar as the Project and HUD financing was concerned. The Greystone Defendants further  
14 breached their respective fiduciary duties to Plaintiffs and each of them by changing the terms of the  
15 bridge financing, by withdrawing the HUD application without prior notice to or consent by Plaintiffs  
16 or any of them, by demanding priority for the bridge loan to which they were not entitled, and by  
17 negotiating directly with David Henry under terms that cut out Oliphant and Plaintiffs from the deal.

18 46. The Greystone Defendants and each of them have gained an advantage over Plaintiffs  
19 by virtue of the foregoing breaches.

20 47. Plaintiffs and each of them were prejudiced by the foregoing breaches of duty in that  
21 they advanced funds and expended time and energy and incurred obligations in connection with the  
22 Project.

23 48. Plaintiffs' reliance, as set forth above, was reasonable under the circumstances.  
24 Plaintiffs could not, in the exercise of reasonable diligence, have anticipated or discovered the  
25 misconduct of the Greystone Defendants in the circumstances in a way that Plaintiffs could have  
26 protected themselves or their financial interests.

27 49. As a direct and legal result of the conduct of the Greystone Defendants as alleged  
28 hereinabove, Plaintiffs, and each of them, have been damaged and injured in an amount to be proven  
at trial.

1        50. As a direct and legal result of the conduct of the Greystone Defendants, Plaintiffs, and  
2 each of them, have been forced to retain attorneys, accountants, investigators, agents and other  
3 consultants, and to expend time and money, to discover and remedy the fraud, all according to proof.  
4 Plaintiffs reserve the right to amend this complaint at such time as the amounts of damage become  
5 known.

6        51. Plaintiffs should recover punitive damages, in addition to their actual damages, to  
7 make an example of and to punish Defendants and each of them.

8        52. The conduct of the Greystone Defendants, and each of them, as described  
9 hereinabove was fraudulent, malicious and oppressive, and done for the specific purpose of getting  
10 control over Plaintiff's monies for Defendants' own use and benefit. The Greystone Defendants, and  
11 each of them, also displayed reckless indifference to Plaintiffs and each of them with regard to the  
12 conduct alleged in this complaint. Plaintiffs should recover punitive damages, in addition to their  
13 actual damages, to make an example of and to punish Defendants and each of them.

14        53. The conduct of the Greystone Defendants was, in and of itself, fraudulent, malicious  
15 and oppressive in that said Defendants were guilty of reckless indifference towards Plaintiffs, acted  
16 willfully and knowingly in the manner in which they torpedoed the Project and Plaintiffs' HUD  
17 application and the tax-exempt bond issue, and undertook separate negotiations with David Henry to  
18 cut out Oliphant and Plaintiffs.

19        WHEREFORE, Plaintiffs pray for judgment as set forth below.

20  
21                                    **SECOND CAUSE OF ACTION**  
22                                    **(Intentional Interference with Prospective Economic Advantage)**

23        54. Plaintiffs refer to and hereby incorporate herein the foregoing Paragraphs 1 through  
24 53, inclusive, as though the same were fully set forth at this place.

25        55. Plaintiffs had an existing business relationship with the seller of the Project and with  
26 the HUD office in Oklahoma City.

27        56. Plaintiffs had a probability of future economic benefit from successful completion of  
28 the financing, rehabilitation and development of the Project.

1       57.     The Greystone Defendants interfered with Plaintiffs' prospective economic advantage,  
2 as set forth above.

3       58.     The conduct of the Greystone Defendants in interfering with Plaintiffs' opportunity to  
4 complete the Project was wrongful in that said defendants, and each of them, made false statements,  
5 changed terms of the deal at the last minute, and breached their fiduciary duties to Plaintiffs and each  
6 of them.

7       59.     The Greystone Defendants knew of Plaintiffs' business relationship and prospective  
8 business advantage.

9       60.     The Greystone Defendants intended to interfere with Plaintiffs' business relationship  
10 and prospective injurious interference and profits from the Project.

11       61.     As a direct and legal result of the conduct of the Greystone Defendants as alleged  
12 hereinabove, Plaintiffs, and each of them, have been damaged and injured in an amount to be proven  
13 at trial.

14       62.     As a direct and legal result of the conduct of the Greystone Defendants, Plaintiffs, and  
15 each of them, have been forced to retain attorneys, accountants, investigators, agents and other  
16 consultants, and to expend time and money, to discover and remedy the fraud, all according to proof.  
17 Plaintiffs reserve the right to amend this complaint at such time as the amounts of damage become  
18 known.

19       63.     Plaintiffs should recover punitive damages, in addition to their actual damages, to  
20 make an example of and to punish Defendants and each of them.

21       64.     The conduct of the Greystone Defendants, and each of them, as described  
22 hereinabove was fraudulent, malicious and oppressive, and done for the specific purpose of getting  
23 control over Plaintiff's monies for Defendants' own use and benefit. The Greystone Defendants, and  
24 each of them, also displayed reckless indifference to Plaintiffs and each of them with regard to the  
25 conduct alleged in this complaint. Plaintiffs should recover punitive damages, in addition to their  
26 actual damages, to make an example of and to punish Defendants and each of them.

27       65.     The conduct of the Greystone Defendants was, in and of itself, fraudulent, malicious  
28 and oppressive in that said Defendants were guilty of reckless indifference towards Plaintiffs, acted

1 willfully and knowingly in the manner in which they torpedoed the Project and Plaintiffs' HUD  
2 application and the tax-exempt bond issue, and undertook separate negotiations with David Henry to  
3 cut out Oliphant and Plaintiffs.

4 WHEREFORE, Plaintiffs pray for judgment as set forth below.

5  
6 **PRAYER FOR RELIEF**

7 WHEREFORE, Plaintiffs SANTA FE POINTE, LP, an Oklahoma limited partnership  
8 ("SFP"), THEOTIS F. OLIPHANT ("Oliphant"), an individual, and RANT, LLC, a Delaware limited  
9 liability company ("Rant"), pray for judgment against defendants and each of them as follows:

- 10 A. For general damages, according to proof;  
11 B. For compensatory damages, according to proof;  
12 C. For punitive and exemplary damages;  
13 D. For any statutory damages or penalties available under statute;  
14 E. For reasonable attorney's fees;  
15 F. For costs of suit herein incurred; and  
16 G. For such other and further relief as the Court deems just or proper.

17  
18 DATED: September 7, 2006

FARBER & COMPANY ATTORNEYS, LLP  
Attorneys for Plaintiff

19  
20  
21 By   
22 Eric J. Farber, SBN 169472  
23 Ann McFarland Draper, SBN 065669  
24  
25  
26  
27  
28

**EXHIBIT A-2**

FARBER & COMPANY  
ATTORNEYS, LLP  
Attn: Farber, Eric J.  
847 Sansome Street  
Suite LL  
San Francisco, CA 94111

### Superior Court of California, County of Alameda

Santa Fe Pointe

VS.

Greystone Servicing Corporation, Inc.

Plaintiff/Petitioner(s)  
Defendant/Respondent(s)  
(Abbreviated Title)

No. RG07345170

### NOTICE OF CASE MANAGEMENT CONFERENCE AND ORDER Unlimited Jurisdiction

#### TO ALL PARTIES AND TO THEIR ATTORNEYS OF RECORD.

Notice is given that a Case Management Conference has been scheduled as follows:

Date: 01/22/2008 Time: 09:00 AM	Department: 301 Location: George E. McDonald Hall of Justice First Floor 2233 Shoreline Drive, Alameda CA 94501 Internet: <a href="http://www.alameda.courts.ca.gov">http://www.alameda.courts.ca.gov</a>	Judge: Ronni MacLaren Clerk: Irene Crowell Clerk telephone: (510) 263-4301 E-mail: Dept.301@alameda.courts.ca.gov Fax: (510) 267-5713
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#### ORDERS

1. You must:

- Serve all named defendants and file proofs of service on those defendants with the court within 60 days of the filing of the complaint (CRC 3.110(b));
- Give notice of this conference to any party not included in this notice and file proof of service;
- Meet and confer, in person or by telephone, to consider each of the issues identified in CRC 3.724 no later than 30 calendar days before the date set for the Case Management Conference;
- File and serve a completed Case Management Conference Statement (use of Judicial Council Form CM 110 is mandatory) at least 15 days before the Case Management Conference (CRC 3.725)

2. If you do not follow the orders above, you are hereby ordered to show cause why you should not be sanctioned under CRC 2.30. The hearing on the Order to Show Cause re: Sanctions will be at the same time as the Case Management Conference. Sanctions may include monetary sanctions and any other sanction permitted by law, including striking pleadings or dismissing the action.

3. You are further ordered to appear in person\* (or through your attorney of record) at the Case Management Conference noticed above. You must be thoroughly familiar with the case and fully authorized to proceed.

4. The Direct Calendar Judge will issue orders at the conclusion of the conference that should include:
- Referring to ADR and setting an ADR completion date
  - Dismissing or severing claims or parties
  - Setting a trial date.

\*Telephonic appearances at Case Management Conferences may be available by contacting CourtCall, an independent vendor, at least 3 business days prior to the scheduled conference. Parties may make arrangements by calling 1-888-882-6878, or faxing a service request to 1-888-882-2946. This service is subject to charges by the vendor.

#### CLERK'S CERTIFICATE OF MAILING

I certify that the following is true and correct: I am the clerk of the above-named court and not a party to this cause. I served this Notice of Hearing by placing copies in envelopes addressed as shown hereon and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Alameda County, California, following standard court practices.

Executed on 09/12/2007.

By



Deputy Clerk

**Superior Court of California, County of Alameda**



**Notice of Judicial Assignment for All Purposes**

Case Number: RG07345170

Case Title: Santa Fe Pointe VS Greystone Servicing Corporation, Inc.

Date of Filing: 09/07/2007

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

This case is hereby assigned for all purposes to:

Judge:	Ronni MacLaren
Department:	301
Address:	George E. McDonald Hall of Justice 2233 Shoreline Drive Alameda CA 94501
Phone Number:	(510) 263-4301
Fax Number:	(510) 267-5713
Email Address:	Dept.301@alameda.courts.ca.gov

Under direct calendaring, this case is assigned to a single judge for all purposes including trial.

Please note: In this case, any challenge pursuant to Code of Civil Procedure §170.6 must be exercised within the time period provided by law. (See Govt. Code 68616(l); Motion Picture and Television Fund Hosp. v. Superior Court (2001) 88 Cal.App.4th 488, 494; and Code Civ. Proc. §1013.)

IT IS THE DUTY OF EACH PLAINTIFF AND CROSS COMPLAINANT TO SERVE A COPY OF THIS NOTICE IN ACCORDANCE WITH LOCAL RULES.

**General Procedures**

All pleadings and other documents must be filed in the clerk's office at any court location except when the Court permits the lodging of material directly in the assigned department. All documents, with the exception of the original summons and the original civil complaint, shall have clearly typed on the face page of each document, under the case number, the following:

ASSIGNED FOR ALL PURPOSES TO  
JUDGE Ronni MacLaren  
DEPARTMENT 301



Counsel are expected to know and comply with the Local Rules of this Court, which are available on the Court's website at: <http://www.alameda.courts.ca.gov/courts/rules/index.shtml> and with the California Rules of Court, which are available at [www.courtinfo.ca.gov](http://www.courtinfo.ca.gov).

The parties are always encouraged to consider using various alternatives to litigation, including mediation and arbitration, prior to the Initial Case Management Conference. The Court may refer parties to alternative dispute resolution resources.

Self-represented litigants must also comply with the rules cited above. All references to "counsel" in this Order apply equally to self-represented litigants. The Court maintains a Self-Help Center at the Wiley W. Manuel Courthouse, 2nd Floor, 661 Washington St., Oakland.

Please submit a courtesy copy of all filed documents directly to Dept. 301.

#### **Schedule for Department 301**

The following scheduling information is subject to change at any time, without notice. Please contact the department at the phone number or email address noted above if you have questions.

- Trials generally are held: Mondays and Wednesdays 9:30 a.m. to 4:30 p.m.; Tuesdays and Thursdays at 10:30 a.m. to 4:30 p.m. Trial readiness: Fridays at 9:00 a.m. A pretrial conference may be set two to three weeks before the trial.
- Case Management Conferences are held: Mondays through Thursdays at 9:00 a.m. Timely filed and complete case management statements may eliminate the need for an in-person conference by allowing the Court to issue a Tentative Case Management Order.
- Law and Motion matters are heard: Tuesdays and Thursdays at 9:00 a.m.
- Settlement Conferences are heard: Fridays at 1:30 p.m. and such other times as may be available.
- Ex Parte matters are heard: Tuesdays and Thursdays at 9:00 a.m. Counsel must comply with Local Rule 4.14
- (1) Counsel should consider and recommend creative, efficient approaches to valuing and resolving their case (CRC §3.724). (2) Potential discovery and other problems should be anticipated and discussed. (3) No discovery motion shall be filed without prior serious efforts to resolve it. If those efforts are unsuccessful, moving party may then email the Court attaching a letter (maximum of 3 pages) outlining the dispute. Opposing party may email a brief response within 24 hours. The Court will advise the parties how the issue will be resolved or whether further proceedings are necessary.

#### **Law and Motion Procedures**

To obtain a hearing date for a Law and Motion or ex parte matter, parties must contact the department as follows:

- Motion Reservations  
Email: [Dept.301@alameda.courts.ca.gov](mailto:Dept.301@alameda.courts.ca.gov)

Phone: (510) 263-4301

The Court prefers that reservations for the Law and Motion calendar be made by email. Limited hearings are available for summary judgments, preliminary injunction and other time intensive motions.

- Ex Parte Matters  
Email: Dept.301@alameda.courts.ca.gov  
Phone: (510) 263-4301

The Court prefers that reservations for the Ex Parte calendar be made by email.

**Tentative Rulings**

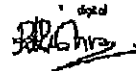
The court will issue tentative rulings in accordance with the Local Rules. Tentative rulings will become the Court's order unless contested in accordance with the Local Rules. Tentative rulings will be available at:

- Website: [www.alameda.courts.ca.gov/domainweb](http://www.alameda.courts.ca.gov/domainweb), Calendar Information for Dept. 301
- Phone: 1-866-223-2244

Dated: 09/11/2007

Executive Officer / Clerk of the Superior Court

By




Deputy Clerk

**CLERK'S CERTIFICATE OF MAILING**

I certify that the following is true and correct: I am the clerk of the above-named court and not a party to this cause. I served this Notice by placing copies in envelopes addressed as shown on the attached Notice of Initial Case Management Conference and then by sealing and placing them for collection, stamping or metering with prepaid postage, and mailing on the date stated below, in the United States mail at Alameda County, California, following standard court practices.

Executed on 09/12/2007

By



Deputy Clerk

**SUMMONS ON FIRST AMENDED &  
(CITACION JUDICIAL) SUPPLEMENTAL  
COMPLAINT**

**NOTICE TO DEFENDANT:****(AVISO AL DEMANDADO):**

GREYSTONE SERVICING CORPORATION, INC., a Georgia corporation; GREYSTONE CDE, LLC, a Delaware limited liability company; and DOES 1 through 100, inclusive

**YOU ARE BEING SUED BY PLAINTIFF:****(LO ESTA DEMANDANDO EL DEMANDANTE):**

SANTA FE POINTE, LP, an Oklahoma limited partnership; SANTA FE MANAGEMENT, LLC, an Oklahoma limited liability company; KANT, LLC, a Delaware limited liability company; THEOTIS F. OLIPHANT, an individual

**ENDORSED  
FILED  
ALAMEDA COUNTY**

SEP 25 2007

CLERK OF THE SUPERIOR COURT  
By Tasha Perry, Deputy  
Deputy

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose this case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.courtinfo.ca.gov/selfhelp/espanol/](http://www.courtinfo.ca.gov/selfhelp/espanol/)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de costas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California ([www.courtinfo.ca.gov/selfhelp/espanol/](http://www.courtinfo.ca.gov/selfhelp/espanol/)) o poniéndose en contacto con la corte o el colegio de abogados locales.

The name and address of the court is:

(El nombre y dirección de la corte es):

Alameda County Superior Court  
1225 Fallon Street  
Oakland, CA 94612

CASE NUMBER:  
(Número del caso):

RG 07-345170

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Eric J. Farber / Farber &amp; Company Attorneys, LLP

847 Sansome Street, Suite LL / San Francisco, CA 94111 / Tel: 415-434-5320

DATE:  
(Fecha)

SEP 25 2007

Pat S. Sweeten

Clerk, by  
(Secretario)

Tasha Perry

Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons. (POS-010)).

**NOTICE TO THE PERSON SERVED: You are served.**

1. ☐ as an individual defendant.  
2. ☐ as the person sued under the fictitious name of (specify):

3. ☐ on behalf of (specify):

- under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)  
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)  
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)

☐ other (specify):

4. ☐ by personal delivery on (date):

Page 1 of 1

1 Eric J. Farber, SBN 169472  
 2 Ann McFarland Draper, SBN 065669  
 3 FARBER & COMPANY ATTORNEYS, LLP  
 847 Sansome Street, Ste. LL  
 4 San Francisco, California 94111  
 Telephone 415.434.5320  
 Facsimile 415.434.5380

5 Attorneys for Plaintiff

ENDORSED  
 FILED  
 ALAMEDA COUNTY

SEP 20 2007

CLERK OF THE SUPERIOR COURT  
 By Tasha Perry, Deputy

6  
 7  
 8 SUPERIOR COURT OF THE STATE OF CALIFORNIA

9 IN AND FOR THE COUNTY OF ALAMEDA  
 10 UNLIMITED JURISDICTION

11 SANTA FE POINTE, LP, an Oklahoma limited  
 12 partnership; SANTA FE MANAGEMENT, LLC,  
 an Oklahoma limited liability company; RANT,  
 13 LLC, a Delaware limited liability company; and  
 THEOTIS F. OLIPHANT, an individual,

14 Plaintiffs,

15 vs.

16 GREYSTONE SERVICING CORPORATION,  
 INC., a Georgia corporation; GREYSTONE CDE,  
 17 LLC, a Delaware limited liability company; and  
 DOES 1 through 100, inclusive,

18 Defendants.

Case No.: RG 07-345170

FIRST AMENDED AND  
 SUPPLEMENTAL COMPLAINT  
 FOR DAMAGES AND  
 DECLARATORY RELIEF

JURY TRIAL DEMANDED

19  
 20 Plaintiffs SANTA FE POINTE, LP, an Oklahoma limited partnership ("SFP"), THEOTIS F.  
 21 OLIPHANT ("Oliphant"), an individual, and RANT, LLC, a Delaware limited liability company  
 22 ("Rant"), allege as follows:

23 DEMAND FOR JURY TRIAL

24 Plaintiffs here demand a jury trial to the fullest extent available under the law, the United  
 25 States Constitution, and Section 16 of Article I of the California Constitution:

26 INTRODUCTORY ALLEGATIONS

27 1. This is an action for damages, declaratory relief and accounting arising out of the  
 28 conduct of defendants with respect to Plaintiffs' efforts to acquire and rehabilitate a 224-unit

*Santa Fe Pointe, LP, et al v. Greystone Servicing Corporation, Inc., et al.*  
 First Amended and Supplemental Complaint for Damages and Declaratory Relief  
 Farber & Company Attorneys, LLP

- 1

1 apartment building in Oklahoma City (the "Project") as a tax-credit developer of a Low Income  
2 Housing Tax Credit project offered through the FHA's Office of Housing and Urban Development  
3 ("HUD"). The Federal Government subsidizes tax credit projects to encourage private developers to  
4 acquire, construct, renovate, and maintain housing stock that will be income restricted for tenants,  
5 and maintained by the private developer. The tax-credit developer gets paid a fee equal to 14% of the  
6 total allowable project costs, and the project financing is non-recourse.

7 PARTIES

8 2. Plaintiff SANTA FE POINTE, LP ("SFP"), is an Oklahoma limited partnership  
9 formed for the purpose of acquiring the Project, and having its principal place of business in  
10 Edmond, Oklahoma.

11 3. Plaintiff SANTA FE MANAGEMENT, LLC, is an Oklahoma limited liability  
12 company formed for the purpose of managing the Project, and having its principal place of business  
13 in Edmond, Oklahoma.

14 4. Plaintiff RANT, LLC ("Rant") is a Delaware limited liability company having its  
15 principal place of business in the County of Alameda, State of California. Plaintiff Rant is now, and at  
16 all times material hereto was, qualified to do business as a foreign corporation in the State of  
17 California.

18 5. Plaintiff THEOTIS F. OLIPHANT is an individual who does now, and at all times  
19 material hereto did, maintain his principal residence in the State of California, Contra Costa County.  
20 OLIPHANT is now, and at all times material hereto was, the managing member of Santa Fe  
21 Management, LLC (the general partner of Plaintiff SFP) and the managing member of Plaintiff  
22 RANT.

23 6. Defendant GREYSTONE SERVICING CORPORATION, INC. ("Greystone  
24 Servicing") is a Georgia corporation having its principal place of business in New York, New York.  
25 Defendant Greystone Servicing is now, and at all times material hereto was, qualified to do business  
26 as a foreign corporation in the State of California. Plaintiffs are informed and believe and on that  
27 basis allege that Defendant Greystone Servicing in fact does business in the State of California.  
28 Defendant Greystone Servicing has failed to designate any principal place of business in the State of

1 California; the only California address identified by Defendant Greystone Servicing on its California  
2 filings is the address of its agent for service of process, which is 818 West Seventh St., Los Angeles,  
3 CA 90017. Venue for Defendant Greystone Servicing is therefore proper in the County of Alameda  
4 and in any other county in the State of California.

5 7. GREYSTONE CDE, LLC ("Greystone CDE") is a Delaware corporation having its  
6 principal place of business in New York, New York. Plaintiffs are informed and believe and on that  
7 basis allege that at all times material hereto, defendant Greystone CDE was not qualified to do  
8 business as a foreign corporation in the State of California but in fact did business in said state.  
9 Defendant Greystone CDE has failed to designate any principal place of business in the State of  
10 California. Venue for Defendant Greystone CDE is therefore proper in any county in the State of  
11 California.

12 8. Defendants Greystone Servicing and Greystone CDE are hereinafter collectively  
13 referred to as the "Greystone Defendants." Plaintiffs are informed and believe and on that basis  
14 allege that the Greystone Defendants are owned and operated in such a way that each benefited  
15 financially from the conduct of the others alleged hereinbelow.

16 9. The Defendants sued herein as DOES 1 through 100, inclusive, are either natural  
17 persons or business entities, whose true names, capacities and (in the case of business entities) exact  
18 form of entity, are currently unknown to Plaintiffs, who therefore sue said defendants by such  
19 fictitious names. Plaintiffs are informed and believe and on that basis allege:

20 A. that each of these fictitiously-named defendants is (either alone or in  
21 concert with named Defendants) responsible in some manner for the occurrences,  
22 injuries and damages herein alleged, has participated or is participating in some  
23 manner in the actionable conduct herein alleged, and is liable to Plaintiffs together  
24 with Defendants named herein for damages and/or other relief prayed for herein;

25 B. that Plaintiffs' injuries as herein alleged were legally caused by the acts  
26 or omissions of said fictitiously-named defendants;

27 C. that at all times mentioned herein, each of the named and fictitiously  
28 named Defendants was the officer, director, employee, partner, joint venturer, servant,

*Santa Fe Pointe, LP, et al v. Greystone Servicing Corporation, Inc., et al.*

First Amended and Supplemental Complaint for Damages and Declaratory Relief  
Farber & Company Attorneys, LLP

- 3



1 agent, subsidiary, division and/or alter ego of each of his, her or its co-Defendants,  
2 was acting within the course and scope of said employment, partnership, joint venture,  
3 joint enterprise, service or agency relationship, with the full knowledge and consent of  
4 each of the other defendants and within the authority granted to said defendants, and  
5 each of them, and/or that each of the acts of each of the Defendants was ratified by  
6 each of the other said Defendants.

7 10. Plaintiffs are informed and believe and on that basis allege:

8 A. that at all times mentioned herein, each of the named and fictitiously  
9 named Defendants was the co-conspirator of the others and was acting in concert of  
10 action and within the course and scope of a conspiracy formed amongst them;

11 B. that each defendant sued herein received money or property as a result  
12 of the conduct described herein without consideration therefor and/or with  
13 knowledge that the money or property was obtained as a result of the fraud, deception  
14 or other wrongful conduct described herein;

15 C. that each of the defendants knowingly and intentionally aided, abetted,  
16 encouraged and cooperated with, or turned a blind eye to, the other defendants in the  
17 wrongful conduct alleged herein and accordingly are liable as aiders and abettors  
18 and/or co-conspirators of each other; and/or

19 D. that each defendant sued herein aided and abetted the others with the  
20 intent that each would be successful in their mutual endeavors.

21 11. Pursuant to California Code of Civil Procedure §474, Plaintiffs will seek to amend this  
22 Complaint to substitute the true names, capacities and (in the case of business entities) exact form of  
23 entity, of each of the said fictitiously-named defendants, as well as the particulars of the conduct,  
24 participation and basis for liability for each of said fictitiously-named defendants, as and when such  
25 information is ascertained by Plaintiff.

26 VENUE

27 12. This case is properly venued in the County of Alameda because each of defendants  
28 GREYSTONE SERVICING CORPORATION, INC., a Georgia corporation ("Greystone



1 Servicing”), and GREYSTONE CDE, LLC, a Delaware corporation (“Greystone CDE”), has failed  
2 to designate any current California principal place of business and therefore may be properly sued in  
3 any county of this state.

#### 4 COMMON ALLEGATIONS

5 13. Plaintiffs are informed and believe and on that basis allege: that the Greystone  
6 Defendants are one of the nation's leading originators of Federal Housing Administration (FHA)  
7 multifamily loans; that the FHA financing originated by the Greystone Defendants provides long-  
8 term, fully amortizing, fixed rate, non-recourse loans for acquisition and rehabilitation of low-income  
9 housing projects such as the Project; that the Greystone Defendants have regional origination offices  
10 in California and throughout the United States; and that the Greystone Defendants provide loan  
11 officers, underwriters, analysts and consultants to facilitate successful acquisition, rehabilitation and  
12 financing of projects such as the Project.

13 14. Plaintiffs are informed and believe and on that basis allege that the Greystone  
14 Defendants are a HUD-approved underwriter for the FHA's Multifamily Accelerated Processing  
15 (MAP) program. This program establishes national standards for approved lenders to prepare,  
16 process and submit their own loan applications. In this process, the Greystone Defendants serve as  
17 an intermediary between their developer-clients and FHA offices to facilitate approval of applications  
18 and to obtain financing within required timeframes.

19 15. On or about September 7, 2006, Plaintiffs and Greystone Servicing entered into a  
20 written agreement wherein Plaintiffs appointed Greystone Servicing to serve as their exclusive agent  
21 to process the HUD application for financing the acquisition and rehabilitation of the Project (the  
22 “Engagement Agreement”). A copy of the Engagement Agreement is attached as Exhibit “A” hereto  
23 and incorporated herein by this reference. On the same date, Plaintiffs paid \$14,000 in fees to  
24 Greystone Servicing as required by the Engagement Agreement.

25 16. Under the agreement and FHA procedures, the HUD application materials were to be  
26 completed by the tax-credit developer (Plaintiffs) and the underwriter (the Greystone Defendants).  
27 However, as underwriter, the role of the Greystone Defendants was (A) to underwrite the financing  
28 of the acquisition and rehabilitation of the Project; and (B) to submit the application on behalf of the

1 tax credit developer to HUD. In connection with this role, it was the responsibility of the Greystone  
2 Defendants to commission third party reports and submit them as support for the underwriting  
3 analysis along with the HUD application materials; Plaintiffs were neither authorized nor permitted to  
4 communicate directly with HUD with respect to the HUD application.

5 17. Also on or about September 7, 2006, Plaintiffs also engaged Seibert Branford Shank &  
6 Company, LLC ("SBS") to serve as investment bank underwriter to sell the \$7,095,000 of tax-exempt  
7 bonds through which the Project was to be financed. The bond financing was required to close by  
8 December 20, 2006 or the bond issue would expire. In order to accomplish timely sale of the tax-  
9 exempt bonds, SBS had to coordinate the sale of the tax-exempt bonds with the filing of the HUD  
10 application by the Greystone Defendants. Toward this end, SBS impressed upon the Greystone  
11 Defendants the importance of completing the HUD application by November 2006.

12 18. On or about September 22, 2006, SBS distributed a financing timetable and  
13 responsible parties list for the Project. The timetable provided that the Greystone Defendants were  
14 to submit the HUD application on November 6, 2006. Miriam Simon ("Simon"), who was  
15 Greystone's senior underwriter for the Project, received the SBS document and participated in Project  
16 meetings and telephone conferences on behalf of the Greystone Defendants. Plaintiffs informed  
17 Simon that they were willing to pay incremental costs to accelerate the filing of the HUD application.

18 19. On or about October 5, 2006, Oliphant, Simon, SBS representatives and others met  
19 with HUD officials in Oklahoma City regarding the Project. At that meeting HUD officials  
20 emphasized that the HUD application needed to be submitted by the first week of December 2006 or  
21 HUD's review of the application would be delayed.

22 20. One of the supporting documents required for the HUD application is architectural  
23 review by a firm designated by the HUD-approved lender. Shortly after the October 5 meeting,  
24 Plaintiffs agreed to and did pay additional fees to Greystone's HUD architect review firm to expedite  
25 its review process so that the architectural review component would not delay filing of the HUD  
26 application.

27 21. At the time of this meeting, the Greystone Defendants were aware that Plaintiffs  
28 wanted to complete the purchase of the property by December 20, 2006. The Greystone Defendants

1 were also aware that Plaintiffs would lose the \$7,095,000 of tax-exempt bond financing if the bond  
2 financing was not closed by December 20, 2006.

3 22. On or about October 16, 2006, Oliphant filed the paperwork and expended the funds  
4 to form Plaintiff SFP (Santa Fe Pointe, LP) as an Oklahoma limited partnership and Santa Fe  
5 Management, LLC as an Oklahoma limited liability company. Plaintiff SFP was the official, single  
6 purpose entity formed to execute the acquisition and rehabilitation of the Project and be the borrower  
7 on the HUD non-recourse loan. Plaintiff Santa Fe Management, LLC was the official, single purpose  
8 entity formed to be the general partner of Plaintiff SFP and manage the Project.

9 23. On or about October 27, 2006, Simon sent an email stating that the HUD application  
10 process was behind schedule. In light of the December 20, 2006 deadlines, Plaintiffs were troubled by  
11 this email, and Oliphant communicated his concerns to Matt James (the business development person  
12 at Greystone who initially sold Oliphant on using Greystone's services). To address Oliphant's  
13 concerns, James told Oliphant that Greystone would provide a non-recourse bridge loan to fund the  
14 purchase of the Project and the cost of issuance for the bonds to be sold by SBS.

15 24. On or about November 13, 2006, Plaintiffs caused the final set of architectural plans  
16 and specifications to be delivered to Greystone's architectural review firm. On or about November  
17 14, 2006, Plaintiffs delivered by FedEx a complete set of financial certifications and list of business  
18 entities for all participants in the Project. These items, which were the final items required from  
19 Plaintiffs and the development team, were delivered a full two weeks before Greystone's scheduled  
20 delivery of the HUD application. All other aspects of the HUD application were within Greystone's  
21 ability to perform and execute timely.

22 25. On November 14, 2006, after Plaintiffs had transmitted all items required to be  
23 provided by them, Greystone for the first time informed Plaintiffs that the HUD application would  
24 not be submitted in 2006. To address the concerns of Plaintiff and the development team and  
25 reassure them that the Project would ultimately be a success, James again stated that Greystone was  
26 committed to funding the acquisition of the Project and issuance of the tax-exempt bonds, and stated  
27 that Greystone would issue a non-recourse bridge loan to fund the acquisition of the Project and the  
28 cost of issuing the bonds.

1           26.     On November 16, 2006, bond counsel for SBS sent an email to confirm that  
2 Greystone would fund a bridge loan for the purchase of the Project and the cost of issuing the tax-  
3 exempt bonds. That same day, Defendant Greystone Servicing provided a bridge loan term sheet on  
4 behalf of Defendant Greystone CDE which provided for a non-recourse bridge loan to Oliphant in  
5 the amount of \$4,348,400. The November 16 Term Sheet stated that the bridge loan would be for  
6 the full purchase price of the Project and that it would be non-recourse.

7           27.     On November 21, 2006, SBS representatives provided the final financing timetable,  
8 again confirming that Greystone had agreed to fund all costs of selling the tax-exempt bonds through  
9 bridge financing. Thereafter, the parties proceeded to complete arrangements for issuance of the tax-  
10 exempt bonds and acquisition of the Project, and Oliphant made arrangements to travel to Oklahoma  
11 City on December 18 through 20 for the closing of the Project acquisition.

12           28.     The tax-exempt bonds were priced on December 13 and 14, and were sold by SBS to  
13 institutional investors. As a result, Plaintiffs incurred approximately \$251,000 in bond issuance costs.

14           29.     On December 17, 2006, the literal eve of Oliphant's departure to Oklahoma City, the  
15 Greystone Defendants' counsel delivered the first drafts of the bridge loan documents. The provided  
16 loan documents did not provide the financing promised by Greystone. Instead, these documents  
17 provided for a bridge loan of only \$500,000 rather than the promised \$4,348,400. This reduced  
18 amount would cover the cost of the bond issuance but not acquisition of the Project. In addition,  
19 instead of the promised non-recourse financing, the provided loan documents included a personal  
20 guaranty by Oliphant and a spousal guaranty, neither of which had been mentioned previously.

21           30.     When Oliphant received the bridge loan documents on December 17, 2006, the  
22 \$251,000 bond issuance costs had already been incurred because the tax-exempt bonds had been sold.  
23 Moreover, if the Project acquisition was not closed by December 20, 2006, Plaintiffs faced losing the  
24 tax-exempt bond funding because the bonds would expire. Oliphant signed the voluminous bridge  
25 loan documents as presented. Copies of the following are attached as Exhibits "B," "C," "D," "E,"  
26 and "F," respectively, hereto and incorporated herein by this reference: Bridge Loan Agreement; the  
27 Bridge Loan Promissory Note; the Partner Guaranty, Pledge and Security Agreement; the Developer  
28 Limited Guaranty, Pledge and Security Agreement; and the Guaranty and Suretyship Agreement.

1           31.     On or about March 14, 2007, Greystone submitted the final HUD application on  
2     behalf of Oliphant and Plaintiffs.

3           32.     Part of the financial structure of the Project included sale of the tax credits to a  
4     purchaser/syndicator. Under the original HUD application, the tax credit purchaser/syndicator was  
5     the Richman Group. On or about April 17, 2007, the Richman Group backed out of the deal.  
6     Thereafter, with the knowledge and consent of the Greystone Defendants, Plaintiffs pursued other  
7     syndicators and co-developers to complete the financial aspects of the Project. On or about June 14,  
8     2007, Plaintiffs were introduced to David Henry, an experienced Arkansas tax credit developer who  
9     would serve as general contractor, property manager, and co-developer, and thereafter Plaintiffs and  
10    David Henry worked out terms for their relationship.

11          33.     On or about June 29, 2007, the seller of the Project agreed to extend the closing date  
12    to July 31, 2007 in order to accommodate additional bridge loan financing arranged by David Henry.  
13    As a part of this agreement, Plaintiffs paid an additional \$25,000 earnest money deposit to the seller,  
14    which Oliphant funded through an additional \$25,000 advance on the Greystone bridge loan.

15          34.     On or about July 5, 2007, Oliphant met with HUD personnel in Oklahoma City and  
16    learned that the HUD application had been rejected by letter sent out earlier that day. At this  
17    meeting, the HUD representative informed Oliphant that at a HUD conference in St. Louis on June  
18    19, Greystone's representative had gone out of her way to make unsolicited disparaging remarks about  
19    the Project to the HUD representative from Oklahoma City.

20          35.     On or about July 10, 2007, Matt James acknowledged to Oliphant that Greystone had  
21    received the HUD rejection letter, and reassured Oliphant that Betsy Vartanian, who was "one of the  
22    top HUD loan executives at Greystone," was going to step in.

23          36.     On or about July 11, 2007, Betsy Vartanian informed Oliphant that she had spoken  
24    with HUD personnel in Oklahoma City and that HUD had agreed to reconsider the application  
25    without starting over from the beginning, and that Greystone would submit written materials  
26    responsive to HUD's concerns. On or about July 13, 2007, Greystone sent a letter to HUD  
27    confirming that supplemental materials would follow to address HUD's concerns raised in the July 5  
28    letter.

1           37. In the meantime, Oliphant and David Henry continued to proceed with the closing of  
2 the acquisition of the Project. Oliphant and David Henry reached an agreement with the seller  
3 whereby the seller would carry back a second mortgage in the amount of \$500,000. On July 25, 2007,  
4 the attorney's for the first mortgage lender sent out drafts of the closing documents. On July 27,  
5 2007, Greystone threatened to disrupt the acquisition deal unless the seller agreed to subordinate his  
6 carry-back loan to Greystone's pre-development bridge loan. That same day, Oliphant and David  
7 Henry made arrangements to meet in Oklahoma on July 30<sup>th</sup> and 31<sup>st</sup> to make plans for signing the  
8 closing documents, taking control of the Project, and getting the keys.

9           38. On July 29, 2007, the eve of travel, David Henry emailed that he was having second  
10 thoughts about the deal and had concerns about the cost of the bond issuance in December 2006.  
11 However, Henry was unavailable to discuss his concerns that entire day.

12           39. On July 30, 2007, Oliphant and Henry arrived in Oklahoma City. In a telephone  
13 conference call, Greystone rescinded its demand that the seller subordinate his carry-back loan.  
14 Instead, Greystone requested that Henry's bank allow Greystone to purchase its loan after closing, so  
15 that Greystone could improve its collateral position.

16           40. On July 31, 2007, Oliphant and Henry met for approximately six hours to discuss  
17 Henry's concerns. During this meeting, David Henry proposed taking over the entire Project in  
18 exchange for assuming the Greystone loan. The parties did not reach agreement for modifying their  
19 prior arrangement, and David Henry left town without signing the escrow documents. Oliphant,  
20 however, signed the closing documents at the title company that day before leaving Oklahoma City.

21           41. In early August 2007, Greystone began negotiating with David Henry on ways to get  
22 the deal done without Oliphant and Plaintiffs, and also began threatening to declare the bridge loan in  
23 default.

24           42. On August 9, 2007, Greystone unilaterally withdrew the HUD loan application  
25 without any prior notice or warning to Oliphant or Plaintiffs. The withdrawal of the HUD  
26 application placed at risk the \$7,095,000 in tax exempt bond proceeds. It also caused the seller to  
27 terminate negotiations with Oliphant because the withdrawal of the HUD application made it appear  
28